

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re: THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO, as representative of THE COMMONWEALTH OF PUERTO RICO, <i>et al.</i> Debtors. ¹	PROMESA Title III No. 17 BK 3283-LTS (Jointly Administered) Re: ECF No. 14995
In re: THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO, as representative of PUERTO RICO ELECTRIC POWER AUTHORITY, Debtor.	PROMESA Title III No. 17 BK 4780-LTS Re: ECF No. 2748

**URGENT CONSENSUAL MOTION OF FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD TO EXTEND MAY 2, 2022 DEADLINE**

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico ("Commonwealth") (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

To The Honorable United States District Court Judge Laura Taylor Swain:

The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as Title III representative of the Puerto Rico Electric Power Authority (“PREPA” or the “Debtor”) in this Title III case pursuant to section 315(b) of the *Puerto Rico Oversight, Management and Economic Stability Act* (“PROMESA”),² respectfully submits this urgent motion (the “Urgent Motion”) for an order extending the deadline for the Oversight Board to comply with certain directives in the Court’s March 8, 2022 Order³, and represents as follows:

RELIEF REQUESTED

1. Through this Urgent Motion, at the request of the Mediation Team and with the consent or non-objection of each Mediation Party (each as defined below), the Oversight Board respectfully requests the Court to enter an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”) extending through June 1, 2022 the May 2, 2022 deadline for the Oversight Board to file either (a) a plan of adjustment, (b) a term sheet for a plan of adjustment, (c) a litigation schedule, or (d) a declaration and memorandum of law showing cause why the Court should not consider dismissal of PREPA’s Title III case, consistent with the Court’s directive in its March 8, 2022 Order.

BACKGROUND

2. On March 8, 2022, the Court entered the March 8, 2022 Order directing the Oversight Board to file an indication of its proposed path forward to conclude PREPA’s Title III case by **May 2, 2022** (the “Path Forward Deadline”), including by filing a proposed plan, a plan

² PROMESA is codified at 48 U.S.C §§ 2101–2241.

³ See *Order Denying Urgent Motion of the Ad Hoc Group of PREPA Bondholders to Appoint a Mediator and Impose Deadlines for a PREPA Plan of Adjustment and Directing Additional Consultation and Filings* [ECF No. 2748] at 12–13 (the “March 8, 2022 Order”)

term sheet, a litigation schedule, or a brief showing cause why PREPA's Title III case should not be dismissed. *See* March 8, 2020 Order at 12–13. The first three options were to be accompanied by either a confirmation time table or litigation schedule. *Id.*

3. On April 8, 2022, the Court entered the *Order Appointing Mediation Team* [ECF No. 2772] (the “Appointment Order”) appointing a team of judicial mediators (the “Mediation Team”) to facilitate consensual resolution of the issues in PREPA's Title III Case. The Mediation Team is led by Judge Shelley C. Chapman, joined by Judge Robert D. Drain and Judge Brendan L Shannon. Appointment Order at 2. The Court also designated the following parties as mediation parties (the “Mediation Parties”): (a) the Oversight Board, (b) AAFAF, (c) the Ad Hoc Group of PREPA Bondholders (d) National Public Finance Guarantee Corp. (“National”), (e) Assured Guaranty Corp. and Assured Guaranty Municipal Corp. (together, “Assured”), (f) Syncora Guarantee, Inc. (“Syncora”), (g) La Union de Trabajadores de La Industria Electrica y Riego (“UTIER”), (h) PREPA's retirement system (“SREAEE”), (i) the Official Committee of Unsecured Creditors, and (j) PREPA's fuel line lenders. *Id.*

4. That same day, the Court entered the *Order Establishing the Terms and Conditions of Mediation* [ECF No. 2773] (the “Terms and Conditions Order,” and together with the Appointment Order, the “Mediation Orders”) directing that mediation shall terminate on June 1, 2022, at 11:59 p.m. (Atlantic Standard Time), unless extended to July 1, 2022 (as applicable, the “Termination Date”).

BASIS FOR RELIEF

5. Following entry of the Mediation Orders, the Mediation Team reached out to some or all Mediation Parties, as did the Mediation Team's proposed financial advisor, to acquire

background in preparation for mediation discussions focused on achieving a consensual resolution of the issues in PREPA's Title III case.

6. On April 21, 2022, the Mediation Team proposed that the Oversight Board seek an extension of the Path Forward Deadline to provide the Mediation Parties and the Mediation Team more time to conduct mediation and to enable the Oversight Board to present the Court with a better informed statement of the path forward after the mediation has progressed. In addition, extending the Path Forward Deadline to June 1, 2022 will synchronize with the initial Termination Date for mediation.

7. The Mediation Team informed the Oversight Board it has contacted counsel for each Mediation Party regarding the requested extension, and that each of them consented or confirmed it did not object.

**Certification of Compliance with
Local Rule 9013-1 and the Sixteenth Amended Case Management Procedures**

8. Pursuant to Paragraph 1.H of the *Sixteenth Amended Notice, Case Management and Administrative Procedures* [Case No. 17-BK-3283-LTS, ECF No. 20190-1] (the "Case Management Procedures"), the Oversight Board hereby certifies that it has carefully examined the matter and concluded that there is a true need for an urgent motion; it has not created the urgency through any lack of due diligence; has made a bona fide effort to resolve the matter; has made reasonable, good-faith communications in an effort to resolve or narrow the issues that are being brought to the Court, and no party opposes the relief requested herein.

NOTICE

9. Contemporaneously with filing the Urgent Motion, the Oversight Board is providing notice of this Urgent Motion in accordance with the Case Management Procedures to the following parties: (a) the Office of the United States Trustee for the District of Puerto Rico;

(b) the indenture trustees and/or agents, as applicable, for PREPA's bonds; (c) the administrative agent(s) for lenders under that certain Credit Agreement, dated as of May 4, 2012, among PREPA, Scotiabank de Puerto Rico, and the lenders party thereto, as amended, and that certain Trade Finance Facility Agreement, dated as July 20, 2012; (d) the statutory unsecured claimholders' committee appointed in this Title III Case; (e) the Office of the United States Attorney for the District of Puerto Rico; (f) counsel to AAFAF; (g) the Puerto Rico Department of Justice; (h) all parties filing a notice of appearance in this Title III case; and (i) all other Mediation Parties. A copy of the Motion is also available on the Debtor's case website at <https://cases.ra.kroll.com/puertorico/>.

10. The Oversight Board submits that, in light of the nature of the relief requested herein, no other or further notice need be given.

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WHEREFORE the Oversight Board requests the Court enter the Proposed Order and grant it such other relief as is deemed just and proper.

Dated: April 25, 2022
San Juan, Puerto Rico

Respectfully submitted,

/s/ Paul V. Possinger

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CERTIFICATE OF SERVICE

I hereby certify that, on this same date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notifications of such filing to all CM/ECF participants in this case.

/s/ Hermann D. Bauer
Hermann D. Bauer

EXHIBIT A

Proposed Order

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

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**[PROPOSED] ORDER GRANTING URGENT CONSENSUAL
MOTION OF FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD TO EXTEND MAY 2, 2022 DEADLINE**

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico ("Commonwealth") (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Upon the *Urgent Consensual Motion of Financial Oversight and Management Board to Extend May 2, 2022 Deadline* (Docket Entry No. ____ in Case No. 17-3283 and Docket Entry No. ____ in Case No. 17-4780, the “Urgent Motion”);² and the Court having found the Oversight Board provided adequate and appropriate notice of the Urgent Motion under the circumstances and that no other or further notice is required; and upon the record herein, after due deliberation thereon, the Court having found that good and sufficient cause exists for the granting of the relief set forth herein:

1. The Urgent Motion is **GRANTED** as set forth herein.
2. The Court hereby extends through **June 1, 2022** the deadline for the Oversight Board to file either (a) a plan of adjustment, (b) a term sheet for a plan of adjustment, (c) a litigation schedule, or (d) a declaration and memorandum of law showing cause as to why the Court should not consider dismissal of PREPA’s Title III case, as set forth in the Court’s March 8, 2022 Order at pp. 12-13.
3. This Order shall take immediate effect and be enforceable upon its entry.
4. The Court shall retain jurisdiction to hear and determine all matters arising from implementation of this Order.

Dated: _____, 2022

SO ORDERED:

HONORABLE LAURA TAYLOR SWAIN
United States District Judge

² Capitalized terms not otherwise defined herein shall have the meanings given to them in the Urgent Motion.